

RECORDATION NO. 11064-A
NOV 20 1979-9 20 AM
INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 11064
NOV 20 1979-9 20 AM
INTERSTATE COMMERCE COMMISSION
CRAVATH, SCAMMAY & MOORE
ONE CHASE MANHATTAN PLAZA
NEW YORK, N. Y. 10005

RECORDATION NO. 11064-B
NOV 20 1979-9 20 AM
INTERSTATE COMMERCE COMMISSION

MAURICE T. MOORE
BRUCE BROMLEY
WILLIAM B. MARSHALL
RALPH L. MCAFEE
ROYALL VICTOR
ALLEN H. MERRILL
HENRY W. DEKOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
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GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK
GEORGE T. LOWY
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JOHN E. YOUNG
JAMES M. EDWARDS
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DAVID L. SCHWARTZ
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CHRISTINE BESHAR
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DOUGLAS D. BROADWATER
ALAN C. STEPHENSON
RICHARD L. HOFFMAN
JOSEPH A. MULLINS
MAX R. SHULMAN

212 HANOVER 2-3000

TELEX
RCA 233663
WUD 125547
WUI 620976

I. C. C.
FEE OPERATION BR.

COUNSEL
CARLYLE E. MAW
ALBERT R. CONNELLY
FRANK H. DETWEILER
GEORGE G. TYLER

ROSWELL L. GILPATRICK
L. R. BRESLIN, JR.
GEORGE B. TURNER
JOHN H. MORSE
HAROLD R. MEDINA, JR.
CHARLES R. LINTON

4, PLACE DE LA CONCORDE
75008 PARIS, FRANCE
TELEPHONE: 265-81-54
TELEX: 290530

33 THROGMORTON STREET
LONDON, EC2N 2BR, ENGLAND
TELEPHONE 01-606-1421
TELEX: 8814901

CABLE ADDRESSES
CRAVATH, N. Y.
CRAVATH, PARIS
CRAVATH, LONDON E. C. 2

No. 9-324A011

Date NOV 20 1979

Fee \$ 160.00

ICC Washington, D. C.

November 15, 1979

Richmond, Fredericksburg and Potomac Railroad Company
Lease Financing Dated as of September 1, 1979
9-5/8% Conditional Sale Indebtedness Due April 1, 1995

[CS&M Ref: 4650-046]

Dear Madam:

Pursuant to 49 U.S.C. § 11303(a), I enclose herewith on behalf of Richmond, Fredericksburg and Potomac Railroad Company, for filing and recordation, counterparts of the following:

FMC Corporation and

(1)(a) Conditional Sale Agreement dated as of September 1, 1979, between Richmond, Fredericksburg and Potomac Railroad Company;

(b) Agreement and Assignment dated as of September 1, 1979, between FMC Corporation and United States Trust Company of New York;

(2) Equipment Lease dated as of September 1, 1979, between Richmond, Fredericksburg and Potomac Railroad Company and McHugh Brothers Crane Rentals, Inc.;

(3) Equipment Sublease dated as of November 1, 1979, between McHugh Brothers Crane Rentals, Inc. and New Hope and Ivyland Railroad Company; and

NEXT PAGE for next document
OVER

James Cumpster
Counterpart

D - (4) Assignment and Assumption Agreement dated as of November 15, 1979, between New Hope and Ivyland Railroad Company and McHugh Brothers Heavy Hauling, Inc.

The addresses of the parties to the aforementioned agreements are:

Lessor-Vendee:

Richmond, Fredericksburg and Potomac
Railroad Company,
P.O. Box 11281,
Richmond, Virginia 23230.

Manufacturer:

FMC Corporation,
200 East Randolph Drive,
Chicago, Illinois 60601.

Lessee:

McHugh Brothers Crane Rentals, Inc.,
P.O. Box 196,
Penndel, Pennsylvania 19407.

Agent-Assignee:

United States Trust Company of New York,
130 John Street (4th Floor),
New York, N.Y. 10038

Sublessee:

New Hope and Ivyland Railroad Company,
P.O. Box 196,
Penndel, Pennsylvania 19047.

Assignee of Sublessee:

McHugh Brothers Heavy Hauling, Inc.,
P.O. Box 196,
Penndel, Pennsylvania 19047.

Cross INDEX → Please file and record the documents referred to in this letter and cross-index them under the names of the Lessor-Vendee, the Manufacturer, the Lessee, the Agent-Assignee, the Sublessee and the Assignee of Sublessee.

Please cross index under ~~MC~~ ^H HUGH BROTHERS HEAVY HAULING, INC.
The equipment covered by the aforementioned agreements consists of 300 50 Ft. XM and XF boxcars, bearing the reporting numbers NHIR 5001-5300, inclusive.

Please note that the rentals under the Lease, the Sublease and the Assignment and Assumption Agreement have been assigned to United States Trust Company of New York, as Agent-Assignee, pursuant to the terms of the Lease, the Sublease and the Assignment and Assumption Agreement and the respective Notices of Assignment attached thereto.

Enclosed is our check for \$160 for the required recordation fee. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Very truly yours,

*including \$10.00 to
cover cross indexing requested above*

John B. Harlow, II

John B. Harlow, II,
as Agent for Richmond,
Fredericksburg and Potomac
Railroad Company

Ms. Agatha Mergenovich, Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

62N

Interstate Commerce Commission
Washington, D.C. 20423

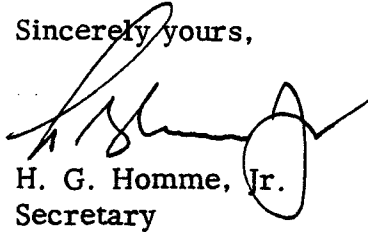
OFFICE OF THE SECRETARY

John B. Harlow, II
Richmond, Fredericksburg & Potomac
Railroad Company

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/20/79 at 9:20AM, and assigned recordation number(s). 11064, 11064A, 11064B, 11064C, & 11064-D.

Sincerely yours,



H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)

RECORDATION NO. 11064 Filed 1425
NOV 20 1979 -9 00 AM
INTERSTATE COMMERCE COMMISSION

[CS&M Ref.: 4650-046]

CONDITIONAL SALE AGREEMENT

Dated as of September 1, 1979

Between

FMC CORPORATION
Manufacturer

and

RICHMOND, FREDERICKSBURG AND POTOMAC RAILROAD COMPANY
Vendee

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ATTACHMENTS TO CONDITIONAL SALE AGREEMENT:

Schedule A--Description of Equipment

Schedule B--Amortization Schedule

CONDITIONAL SALE AGREEMENT dated as of September 1, 1979 (this "Agreement") between FMC Corporation (the "Manufacturer") and RICHMOND, FREDERICKSBURG AND POTOMAC RAILROAD COMPANY (the "Vendee").

R E C I T A L S:

A. The Manufacturer is willing to construct, sell and deliver to the Vendee, and the Vendee is willing to purchase, the rolling stock described in Schedule A attached hereto (collectively the "Items of Equipment" or "Equipment" and individually an "Item" or "Item of Equipment").

B. The following terms shall have the following meanings unless the context shall otherwise require:

1. "Participation Agreement" shall mean the Participation Agreement dated as of September 1, 1979, among the Lessee, the Vendee, the Assignee and the party named in Schedule 1 thereto (the "Original Investor" and, together with its successors and assigns, the "Investors").

2. "Assignment" shall mean the Agreement and Assignment dated as of September 1, 1979, between the Manufacturer and the Assignee.

3. "Assignee" shall mean United States Trust Company of New York, as agent and assignee under the Assignment, and its successors in interest thereunder.

4. "Lease" shall mean the Equipment Lease dated as of September 1, 1979, between the Vendee, as lessor, and the Lessee.

5. "Lessee" shall mean McHugh Brothers Crane Rentals, Inc.

6. "Sublease" shall mean the Equipment Sublease dated as of November 1, 1979, between the Lessee, as Sublessor, and the Sublessee.

7. "Sublessee" shall mean New Hope & Ivyland Railroad Company.

In consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Construction and Sale.

The Manufacturer will construct, sell and deliver to the Vendee, and the Vendee will purchase from the Manufacturer and accept delivery of and pay for as hereinafter provided, the Items of Equipment which are indicated on Schedule A hereto, each Item of which shall be constructed in accordance with the applicable specifications referred to in said Schedule with such modifications thereof as may be agreed upon in writing by the Vendee, the Lessee, the Sublessee and the Manufacturer (which specifications and modifications, if any, are hereinafter called the "Specifications"). The Manufacturer represents and warrants that (i) the design and quality of equipment, material and component parts in such Items shall conform to all Department of Transportation and/or the Interstate Commerce Commission requirements and specifications for new railroad rolling stock, if any, and to all standards of the Association of American Railroads (and, in each case, any successor organization) applicable to new rolling stock of the character of such Items as of the date of this Agreement, (ii) none of such component parts, except for couplers (which shall be reconditioned), will be used components and (iii) none of such Items will have been used so as to preclude the original use thereof by the Vendee.

SECTION 2. Delivery.

2.1. The Manufacturer will deliver the various Items of Equipment to the Vendee in accordance with the applicable delivery schedule set forth in Schedule A hereto; provided, however, that the Manufacturer shall have no obligation to deliver any Item of Equipment hereunder so long as any Event of Default pursuant to Section 13.1 hereof shall have occurred and be continuing. The Manufacturer agrees to give the Lessee, the Sublessee, the Vendee and the Assignee not less than three business days' prior written notice of the delivery of the first Item of Equipment hereunder. The Manufacturer agrees not to deliver and the Vendee shall have no obligation to accept any Items of Equipment following notice to the Manufacturer from the Vendee, the Lessee, the Sublessee or the Assignee that any Event of Default pursuant to Section 13.1 hereof has occurred and is continuing.

2.2. The Manufacturer's obligations as to time of delivery are subject, however, to delays resulting from

causes beyond the Manufacturer's reasonable control, including, but not limited to, acts of God, acts of government such as embargoes, priorities and allocations, war or war conditions, riots or civil commotion, sabotage, strikes, accidents, fire, flood, explosion, damage to plant, equipment or facilities, or delays in receiving necessary materials or delays of carriers or subcontractors.

2.3. Notwithstanding the foregoing provisions in this Section 2, the Vendee shall not be obligated hereunder to accept and pay for any Equipment not delivered and accepted on or before the outside delivery date provided therefor in Schedule A hereto. Any Equipment not so delivered and accepted pursuant to Sections 2.1 and 2.4 hereof shall be excluded from this Agreement and not included in the term "Equipment" as used in this Agreement. In the event of any such exclusion, the Vendee and the Manufacturer shall execute an agreement supplemental hereto limiting this Agreement to the Equipment not excluded herefrom, and the Manufacturer agrees to look solely to the obligations of the Lessee pursuant to Section 1.4 of the Lease in respect of such excluded Item of Equipment.

2.4. The Equipment during construction shall be subject to inspection by an inspector or other authorized representative of the Sublessee and the Vendee. Acceptance of any Items of Equipment by the Sublessee under Section 3 of the Sublease shall be deemed to be acceptance of such by the Vendee hereunder, and the Vendee agrees to cause the Sublessee to furnish the Certificate or Certificates of Acceptance under the Sublease to the Manufacturer in such number of counterparts as may be reasonably requested.

2.5. The Manufacturer shall bear the risk of loss thereof or damage to the Equipment until delivery to and acceptance by the Sublessee pursuant to Section 2.4 hereof. Upon delivery and acceptance by the Sublessee of each of such Items of Equipment, the Vendee shall bear the risk of loss of or damage to such Items as between the Vendee and the Manufacturer.

SECTION 3. Purchase Price and Payment.

3.1. The base price per Item of Equipment, including shipping and delivery charges, if any, to place of delivery, and storage charges, if any, prior to delivery, but exclusive of interest, insurance and all other price charges, is as set forth in Schedule A hereto. Such base price per Item of Equipment shall be subject to increase or decrease as may be agreed to

by the Manufacturer, the Lessee and the Sublessee as set forth in an invoice from the Manufacturer to the Vendee accompanied by or having endorsed thereon a certification by the Lessee and the Sublessee as to the correctness of the price of such Item as set forth in said invoice, and the term "Purchase Price" as used herein shall mean the price set forth in such invoice (and including any taxes, delivery costs and miscellaneous expenses assumed or paid by the Vendee); provided that the Purchase Price for all Equipment shall not exceed the Maximum Purchase Price set forth in Schedule A. If the Purchase Price of any Item of Equipment then ready to be delivered by the Manufacturer hereunder and under the Lease and Sublease would, upon such delivery, cause the aggregate Purchase Price for all Items of Equipment theretofore delivered hereunder, when taken together with the Purchase Price of such additional Item of Equipment, to exceed the Maximum Purchase Price for all Items of Equipment as stated in Schedule A hereto, then the Manufacturer agrees that it will withhold delivery of such Item of Equipment and all other Items of Equipment then remaining undelivered hereunder and under the Lease and the Sublease and the Vendee and the Manufacturer agree that they will enter into an agreement excluding from this Agreement such Item or Items of Equipment, and the Manufacturer agrees to look solely to the obligation of the Lessee pursuant to Section 1.4 of the Lease in respect of such excluded Equipment.

3.2. For the purpose of making settlement for the Equipment, the Equipment shall be divided into not more than four groups of Items of Equipment, or such other number as shall be agreed to by the parties hereto, the Lessee, the Sublessee and the Assignee (each such group of Items being hereinafter called a "Group").

3.3. The Vendee hereby acknowledges itself to be indebted to the Manufacturer in the amount of, and hereby agrees to pay in immediately available funds to the Manufacturer at such bank or trust company in the United States of America as the Manufacturer shall designate for payment to it, the Purchase Price of the Items of Equipment as follows:

(a) on each Closing Date an amount equal to 20% of the aggregate Purchase Price for all Items of Equipment in the Group for which settlement is then being made; and

(b) an amount (herein sometimes called the "CSA Indebtedness") equal to the difference between the

aggregate Purchase Price for all Items of Equipment in the Group for which settlement is then being made and the aggregate amount paid pursuant to subparagraph (a) of this Section 3.3 plus interest on the unpaid balance thereof at the rate of 9-5/8% per annum payable in installments as follows:

(1) one installment of interest only from including the Closing Date for such Group to but not including June 1, 1980, payable on June 1, 1980, followed by

(2) 12 monthly installments of interest only, each from and including the preceding interest payment date to but not including the applicable interest payment date, payable on July 1, 1980, and on the first date of each month thereafter to and including June 1, 1981, followed by

(3) 166 monthly installments payable on July 1, 1981, and on the first day of each month thereafter to and including April 1, 1995, each installment calculated so that the amount and allocation of principal and interest payable on each installment date shall be substantially in proportion to the allocation set forth in Schedule B hereto (in which it is assumed that the aggregate CSA Indebtedness will equal \$9,600,000).

The Vendee represents, warrants and agrees that the aggregate of the installments payable as hereinabove provided will, in all events, completely amortize the CSA Indebtedness with interest thereon at the rate of 9-5/8% per annum. The Vendee will furnish to the Manufacturer and the Lessee promptly after the last Closing Date a schedule showing the respective amounts of principal and interest payable on each installment date.

3.4. The term "Closing Date" with respect to each Group shall mean such date (which is not more than 15 business days following the presentation by the Sublessee to the Manufacturer, the Vendee and the Assignee of the Certificate or Certificates of Acceptance with respect to such Group) as shall be fixed by the Vendee by written or telegraphic notice

delivered to the Lessee, the Manufacturer, the Sublessee and the Assignee at least seven business days prior to the Closing Date designated therein; provided that no Closing Date shall be later than June 1, 1980, for any Group.

3.5. The term "business days" as used herein means calendar days, excluding Saturdays, Sundays and holidays on which banks in the Commonwealth of Pennsylvania, Virginia or the State of New York are authorized or required to close. If any date on which a payment is to be made hereunder is not a business day, the amount otherwise payable on such date shall be payable on the next succeeding business day, and no interest on such amount shall accrue for the period from and after the nominal date for payment thereof to such next succeeding business day.

3.6. Interest under this Agreement shall be determined on the basis of a 360-day year of 12 30-day months except that interest payable on June 1, 1980, shall be calculated on an actual elapsed day, 365-day year basis.

3.7. The Vendee will pay interest at the rate of 10-5/8% per annum upon all unpaid balances of indebtedness and (to the extent legally enforceable) upon interest, after the same shall have become due and payable pursuant to the terms hereof, anything herein to the contrary notwithstanding.

3.8. All payments provided for in this Agreement shall be made by the Vendee in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

3.9. Except as provided in Section 6.1 hereof the Vendee shall not have the privilege of prepaying any installment of the indebtedness prior to the date it becomes due hereunder.

SECTION 4. Title to the Equipment.

4.1. The Manufacturer shall and hereby does retain the full security title to and property in the Equipment until the Vendee shall have made all of the payments and performed all of its obligations hereunder. Any and all additions to the Equipment which become the property of the Vendee pursuant to the Lease or Sublease and any and all replacements of the Equipment and of parts hereof shall constitute accessions to the Equipment and shall be subject

to all terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

4.2. When and only when the Manufacturer shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided and all the Vendee's other obligations herein contained shall have been performed, absolute right to the possession of, and title to and property in the Equipment shall pass to and vest in the Vendee without further transfer or action on the part of the Manufacturer, except that the Manufacturer, if requested by the Vendee so to do, will, at the cost and expense of the Vendee, execute a bill or bills of sale for the Equipment releasing its security title thereto and property therein to the Vendee or upon its order free of all liens and encumbrances created or retained hereby and deliver such bill or bills of sale to the Vendee, and will, at the cost and expense of the Vendee, execute in the same manner and deliver at the same place, for filing, registering, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Vendee to such Equipment, and will pay to the Vendee any money paid to the Manufacturer, pursuant to Section 6.1 hereof and not theretofore applied as provided in Section 6.2 hereof. The Vendee hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bill or bills of sale or to file such certificate within a reasonable time after written demand by the Vendee.

SECTION 5. Marking of Equipment.

The Vendee will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT FILED
WITH THE INTERSTATE COMMERCE COMMISSION"

with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the security title of the Manufacturer to such Item of Equipment, its rights under this Agreement and the rights of any assignee under Section 12 hereof.

SECTION 6. Casualty Occurrences.

6.1. In the event that any Item of Equipment (i) shall be or become lost, stolen, destroyed or, in the opinion of the Lessee and/or the Sublessee pursuant to Section 11.2 of the Lease or Sublease, irreparably damaged or permanently rendered unfit for use from any cause whatsoever, or (ii) shall be requisitioned or taken by any governmental authority in the United States (other than the United States of America or any agency thereof) by condemnation or otherwise for a stated term which exceeds the then remaining term of this Agreement (any such occurrence being hereinafter referred to as a "Casualty Occurrence"), the Vendee shall promptly and fully, after it has actual knowledge thereof, inform the Manufacturer in regard thereto. When any Item of Equipment suffers a Casualty Occurrence the Vendee, on the first day of the calendar month after it shall obtain knowledge of a Casualty Occurrence with respect to any Item of Equipment (but not earlier than July 1, 1980) shall pay to the Manufacturer the Casualty Payment (as defined in Section 6.4 hereof) of such Item as of the date of such payment. Each such payment shall be accompanied by notification from the Vendee identifying the amount thereof and stating that said payment constitutes a Casualty Payment. Promptly following such payment, the Vendee will furnish to the Assignee, the Lessee and the Sublessee a revised schedule of payments of principal and interest thereafter to be made hereunder in such number of counterparts as any such party may reasonably request.

6.2. The Manufacturer shall, immediately upon receipt thereof, apply the money deposited pursuant to Section 6.1 to the prepayment of that portion of the CSA Indebtedness in respect of the Purchase Price of any Items of Equipment having suffered a Casualty Occurrence, plus interest then accrued on the portion thereof so prepaid, but without premium. The monthly payments of installment of principal of and interest on the CSA Indebtedness relating to the remaining Equipment and interest thereon becoming due thereafter shall be redetermined on the basis of the amount of such CSA Indebtedness remaining unpaid and on the basis of the number of monthly payments remaining immediately after

such application.

6.3. Upon payment to the Manufacturer of the Casualty Payment in respect of an Item of Equipment, absolute right to the possession of, title to and property in such Item shall automatically pass to and vest in the Vendee without further transfer or action on the part of the Manufacturer thereof. The Manufacturer, if requested by the Vendee, will execute and deliver to the Vendee at the expense of the Vendee, appropriate instruments confirming such release to the Vendee of security title to and property in such Item, free of all liens and encumbrances created or retained hereby, in recordable form in order that the Vendee may make clear upon the public records the title of the Vendee to such Item.

6.4. The Casualty Payment in respect of each Item of Equipment having suffered a Casualty Occurrence shall be deemed to be that portion of the CSA Indebtedness related to such Item remaining unpaid on the date as of which such Casualty Payment shall be determined, plus interest accrued thereon but unpaid as of such date.

6.5. In the event that prior to the expiration of the term of the Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise, so long as such requisition or taking does not constitute a Casualty Occurrence pursuant to Section 6.1 hereof, then the Vendee's duty to pay the indebtedness in respect of the Purchase Price thereof shall continue for the duration of such requisitioning or taking. The Vendee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 7. Inspections.

The Manufacturer shall have the right, by its agents, to inspect the Equipment whenever it is available for such inspection and to further inspect the records of the Vendee with respect thereto once in every year.

The Vendee will furnish or cause to be furnished on or before May 1, of each year commencing May 1, 1980, a report as of the preceding December 31 containing the information specified in Section 12.1 of the Lease.

SECTION 8. Possession and Use.

8.1. The Vendee, so long as it shall not be in default under this Agreement, shall be entitled, from and after delivery of the Equipment by the Manufacturer to the Vendee, to the possession of the Equipment and the use thereof, but only upon and subject to all the terms and conditions of this Agreement.

8.2. The Vendee may lease the Equipment to the Lessee or its assigns as permitted by, and for use as provided in, Section 17 of the Lease, and it is hereby acknowledged and agreed that the rights of the Manufacturer under this Agreement are subject to the rights and interest of the Lessee under the Lease. The Vendee agrees to comply or cause the Lessee to comply with all applicable rules, laws and regulations as provided in Section 7 of the Lease and to cause the Equipment to be maintained as provided in Section 8 of the Lease. The Lease shall not be amended or terminated without the prior written consent of the Manufacturer, which consent shall not be unreasonably withheld.

SECTION 9. Prohibition Against Liens.

9.1. The Vendee will pay or satisfy and discharge any and all sums claimed by any party by, through or under the Vendee or its successors or assigns which, if unpaid, might become a lien or a charge upon any Item of Equipment equal or superior to the security title of the Manufacturer, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Manufacturer, adversely affect the property or rights of the Manufacturer hereunder.

9.2. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other like items arising in the ordinary course of business and, in each case, not delinquent.

SECTION 10. Indemnities.

10.1. The Vendee agrees to indemnify, protect and hold harmless the Manufacturer from and against all losses,

damages, injuries, liabilities, claims (including without limitation claims for strict liability in tort) and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including but not limited to, counsel fees and expenses, penalties and interest, arising out of or as the result of the entering into or the performance of this Agreement, the retention by the Manufacturer of title to or a security interest in the Equipment, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any of the Equipment, any claim for patent, trademark or copyright infringement, any accident in connection with the operation, use, condition, possession, storage or return of any of the Equipment resulting in damage to property or injury or death to any person during the period when security title thereto or a security interest therein remains in the Manufacturer or the transfer of title to the Equipment by the Manufacturer pursuant to any of the provisions of this Agreement, except, in the case of the builder of the Equipment, any losses, damages, injuries, liabilities, claims and demands whatsoever arising out of any breach of warranty or failure to perform any covenant hereunder or any tort by such builder. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Vendee's Purchase Price of, and the release of the Vendor's security interest in, the Equipment, as provided in this Agreement, or the termination of this Agreement in any manner whatsoever.

The Vendee will bear the responsibility for and risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any unit of or all the Equipment.

10.2. Except to the extent provided in Section 2.5 hereof, the Vendee will bear the risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any Item or of all the Equipment.

10.3. The Manufacturer warrants that the Items of Equipment will be built in accordance with the Specifications therefor and warrants that the Items of Equipment will be free from defects in material (except as to specialties incorporated therein specified by the Lessee and not manufactured by the Manufacturer, in respect of which the Manufacturer hereby appoints and constitutes the Lessee its agent and attorney-in-fact to assert and enforce from time to time

in the name of the Manufacturer but for the account of the Vendee, the Lessee and the Manufacturer as their interests may appear and in all cases at the sole cost and expense of the Lessee whatever claims and rights the Manufacturer may have against the manufacturer of the specialty) or workmanship under normal use and service, the Manufacturer's obligation under this Section 10.3 being limited to making good at its plant any part or parts of any Item of Equipment which shall, within one year after the delivery of such Item of Equipment to the Vendee, be returned to the Manufacturer with transportation charges prepaid and which the Manufacturer's examination shall disclose to its satisfaction to have been thus defective; provided, however, that this warranty shall not apply to (i) any components which shall have been repaired or altered unless repaired or altered by the Manufacturer or its authorized service representatives, if, in its judgment, such repairs or alterations affect the reliability of any such Item of Equipment or (ii) any such Item of Equipment which has been subject to misuse, negligence or accident. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND OF ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF THE MANUFACTURER, EXCEPT FOR ITS OBLIGATIONS HEREUNDER AS LIMITED HEREBY, AND THE MANUFACTURER NEITHER ASSUMES OR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE CONSTRUCTION AND DELIVERY OF THE EQUIPMENT EXCEPT AS AFORESAID. IN NO EVENT SHALL THE MANUFACTURER BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR COMMERCIAL LOSS. The Manufacturer reserves the rights to make changes in the design of, or add any improvements to, any Items of Equipment to be built by it at any time with the approval of the Lessee without incurring any obligation to make similar changes or additions in respect of other Items of Equipment previously delivered to the Lessee. The Manufacturer further agrees with the Vendee that acceptance of any Items of Equipment under Section 2.4 hereof shall not be deemed a waiver by the Vendee of any of its rights under this Section 10.3.

10.4. It is hereby agreed that the Lessee and the Sublessee shall be and they are hereby constituted third-party beneficiaries to each of the covenants and agreements of the Manufacturer expressed in this Section 10.

SECTION 11. Patent Indemnities.

11.1. Except in cases of designs specified by the

Lessee and not developed or purported to be developed by the Manufacturer, and articles and materials specified by the Lessee and not manufactured by the Manufacturer, the Manufacturer agrees to indemnify, protect and hold harmless the Vendee from and against any and all liability, claims, demands, costs, charges, and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against the Vendee or the Lessee because of the use in or about the construction or operation of any Item of Equipment to be built by it, of any design, article or material which infringes or is claimed to infringe on or which is claimed to constitute contributory infringement with respect to any patent or other right. In case any Item of Equipment is held to constitute infringement of any patent or other similar right in respect of which liability may be charged against the Manufacturer, and the use of any Item of Equipment is enjoined, the Manufacturer shall, at its own expense and at its option, either procure for the Vendee and the Lessee the right to continue using such Item of Equipment or replace the same with noninfringing equipment, or modify it so it becomes noninfringing. Without intending any limitation of the foregoing, the Manufacturer agrees to and hereby does, to the extent legally possible without impairing any claim, right or cause of action hereinafter referred to, transfer, assign, set over and deliver to the Vendee every claim, right and cause of action which the Manufacturer has or hereafter shall have against the originator of any design or against the seller or sellers of any designs or articles or materials purchased or otherwise acquired by the Manufacturer for use in or about the construction or operation of the Items of Equipment to be built by it on the ground that any such design, article or material or operation thereof infringes or is claimed to infringe on or to constitute contributory infringement with respect to any patent or other right and the Manufacturer further agrees to execute and deliver to the Vendee all and every such further assurance as may be reasonably requested by the Vendee, more fully to effectuate the assignment, transfer and delivery of every such claim, right and cause of action. The Manufacturer will give notice to the Vendee of any claim known to the Manufacturer from which liability may be charged against the Vendee or the Lessee hereunder and the Vendee will give notice to the Manufacturer of any claim known to it from which liability may be charged against the Manufacturer hereunder.

11.2. The term "design" wherever used in this Agreement or in any assignment of this Agreement shall be deemed

to include formulae, systems, processes and combinations.

11.3. It is hereby agreed that the Lessee and the Sublessee shall be and they are hereby constituted third-party beneficiaries to each of the covenants and agreements of the Manufacturer expressed in this Section 11.

SECTION 12. Assignments.

12.1. Except as provided in § 12.7 hereof, the Vendee will not sell, assign, transfer or otherwise dispose of its rights under this Agreement or, except as provided in Section 8.2 hereof, transfer the right to possession of any Item of Equipment without first obtaining the written consent of the Manufacturer. No such sale, assignment or transfer shall subject the Manufacturer to any duty, obligation or liability whatsoever.

12.2. All or any of the rights, benefits and advantages of the Manufacturer under this Agreement, including the right to receive the payments herein provided to be made by the Vendee, may be assigned by the Manufacturer and reassigned by an assignee at any time or from time to time. No such assignment shall subject any assignee to, or relieve the Manufacturer from, any of the obligations of the Manufacturer to construct and to deliver the Equipment in accordance with the provisions hereof or to respond to its guarantees, warranties and agreements contained herein, or relieve the Vendee of its obligations to the Manufacturer hereunder except as provided in Section 12.3 hereof.

12.3. Upon any such assignment either the assignor or the assignee shall give written notice to the Vendee and the Lessee, together with a counterpart or copy of such assignment, stating the identity and post office address of the assignee, and such assignee shall, by virtue of such assignment, acquire all of the assigning Manufacturer's right, security title and interest in and to the Equipment, or in and to a portion thereof as the case may be, subject only to such reservations as may be contained in such assignment. From and after the receipt by the Vendee and the Lessee, respectively, of the notification of any such assignment, all payments thereafter to be made by the Vendee hereunder shall, to the extent so assigned, be made to the assignee at the address of the assignee specified in the aforesaid notice.

12.4. The Vendee recognizes that it is the custom of equipment manufacturers or sellers to assign agreements of this character and understands that the assignment of this Agreement, or of some or all of the rights of the Manufacturer hereunder, is contemplated. The Vendee expressly represents, for the purpose of assurance to any person, firm or corporation considering the acquisition of this Agreement or of all or any of the rights of the Manufacturer hereunder, and for the purpose of inducing such acquisition, that in the event of such assignment by the Manufacturer as hereinbefore provided the rights of such assignee to the entire unpaid CSA Indebtedness or such part thereof as may be assigned, together with the interest thereon, as well as any other rights hereunder which may be so assigned, shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer with respect to the Equipment or the delivery or warranty thereof, or with respect to any indemnity herein contained, nor subject to any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Vendee by the Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Vendee against and only against the Manufacturer.

12.5. In the event of any such assignment or successive assignments by the Manufacturer of security title to the Equipment and of the Manufacturer's right hereunder with respect thereto, the Vendee will, whenever requested by such assignee, change the names and word or words to be marked on each side of each Item of Equipment or, in the event such Item shall then be leased to the Lessee, the Vendee will use its best efforts to cause the Lessee pursuant to Section 4 of the Lease to change the names and word or words to be marked on each side of such Item, so as to indicate the security title of such assignee to the Equipment with such names and word or words as shall be specified by such assignee, subject to the requirements of the laws of the jurisdictions in which the Equipment shall be operated relating to such names and word or words for use on equipment covered by conditional sale agreements with respect to railroad equipment. The cost of marking such names and word or words with respect to the first assignee of this Agreement (or to a successor agent or trustee in case the first assignee is an agent or trustee) and with respect to the Vendee shall be borne by the Manufacturer. The cost of marking such names and word or words in connection with any subsequent assignment (other than to a successor

agent or trustee if the first assignee is an agent or trustee) will be borne by the subsequent assignee.

12.6. In the event of any such assignment prior to the completion of delivery of the Equipment, the Vendee will, in connection with settlement for any Group of Equipment subsequent to such assignment, deliver to the assignee, at the time of delivery of notice fixing the Closing Date with respect to such Group, all documents reasonably required by the terms of such assignment to be delivered by the Vendee to the assignee in connection with such settlement, in such number of counterparts as may reasonably be requested.

12.7. Nothing in this Section 12 shall be deemed to restrict the right of the Vendee to assign or transfer its interest under this Agreement in the Equipment to any corporation into or with which the Vendee shall have become merged or consolidated or which shall have acquired or leased all or substantially all of the property of the Vendee, provided that such assignee, successor or transferee shall have duly assumed the obligations of the Vendee hereunder and that it will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provision of this Agreement.

SECTION 13. Defaults.

13.1. In the event that any one or more of the following Events of Default shall occur and be continuing, to wit:

(a) the Vendee shall fail to pay in full any sum payable by the Vendee when payment thereof shall be due under Section 3 or 6 hereof and such default shall continue for five business days;

(b) the Vendee shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any Item of Equipment, or any portion thereof;

(c) the Vendee shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement or to make provision satisfactory to the Manufacturer for such compliance for more than 30 days after written notice from the Manufacturer specifying the default and demanding the same to be remedied;

(d) any representation or warranty made by the Vendee herein or in any statement or certificate furnished to the Manufacturer or any assignee of the Manufacturer pursuant to or in connection with this Agreement, the Agreement and Assignment, the Lease or the Participation Agreement proves untrue in any material respect as of the date of issuance or making thereof;

(e) a petition under any provision of Title 11 of the United States Code (including any successor provision), shall be filed by or against the Vendee and (unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective but then only so long as such stay shall continue in full force or such ineffectiveness shall continue) all the obligations of the Vendee under this Agreement shall not have been duly assumed in writing, pursuant to a court order or proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or in accordance with the provisions of 11 U.S.C. § 1168 within 60 days after such petition shall have been filed; or

(f) any other proceedings shall be commenced by or against the Vendee under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, compositions or extensions (other than a law which does not permit any readjustment of the obligations of the Vendee under this Agreement), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Vendee under this Agreement shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Vendee or for the property of the Vendee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 60 days after such proceedings shall have been commenced;

then at any time after the occurrence and during the continuance of such an Event of Default the Manufacturer may, upon

written notice to the Vendee and upon compliance with any legal requirements then in force and applicable to such action by the Manufacturer, but without prejudice to any rights of the Vendee under the Lease with respect to any default thereunder, declare (herein called a "Declaration of Default") the entire CSA Indebtedness together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such declaration at the rate of 10-5/8% per annum, to the extent legally enforceable, and the Manufacturer shall thereupon be entitled to recover judgment for the entire unpaid balance of the CSA Indebtedness so payable, with interest as aforesaid, and to collect such judgment out of any property of the Vendee.

13.2. The Manufacturer may waive any Event of Default hereunder and its consequences and rescind and annul any such declaration by notice to the Vendee in writing to that effect, and thereupon the respective rights of the parties shall be as they would have been if no such default had existed and no such declaration had been made. Notwithstanding the provisions of this paragraph, it is agreed by the Vendee that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

13.3. Any default hereunder shall be deemed cured and not continuing if the Vendee, prior to any sale by the Manufacturer of the Equipment as provided in Section 14.3, shall pay or cause to be paid to the Manufacturer the total unpaid balance of the CSA Indebtedness, together with interest thereon accrued and unpaid and all other payments due under this Agreement.

SECTION 14. Remedies.

14.1. If a Declaration of Default shall have occurred, the Manufacturer may, upon such further notice, if any, as may be required for compliance with any mandatory requirements of law then in force and applicable to the action to be taken by the Manufacturer, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any Item thereof, without liability to return to the Vendee any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Section 14 expressly provided, and may

remove the same from possession and use of the Vendee (but subject to the then existing rights and interests of the Lessee under the Lease, if any) and for such purpose may enter upon premises where the Equipment may be located without judicial process if this can be done without breach of the peace, and may use and employ in connection with such removal and supplies, services and aids and any available facilities or means of the Vendee or the Lessee or the Sublessee, with or without process of law.

14.2. In case the Manufacturer shall rightly demand possession of the Equipment in pursuance of this Agreement and shall reasonably designate a facility on the lines of the Sublessee or if the Sublease is terminated, a reasonable site or sites within 500 miles of the place of storage under the Lease for the delivery of the Equipment to the Manufacturer, the Vendee shall use its best efforts to cause the Lessee or the Sublessee, at the expense of the Lessee or the Sublessee, forthwith and in the usual manner to cause the Equipment to be moved to such site and to be assembled and stored all as provided in Section 15.1 of the Lease and the Sublease, or if the Lease is not then in effect or the Lessee or Sublessee fails to so assemble and store the Equipment, the Vendee will assemble and store the Equipment in like manner as provided in said Section 15.1 on such reasonable site on the property of the Vendee as the Manufacturer shall designate and shall there deliver the Equipment or cause it to be delivered to the Manufacturer. The agreement to deliver and store the Equipment as hereinbefore provided is of the essence of this Agreement between the parties and, upon application to any court of equity having jurisdiction in the premises, the Manufacturer shall be entitled to a decree against the Vendee requiring specific performance hereof. The Vendee hereby expressly waives any and all claims against the Manufacturer and its agent or agents for damages of whatever nature in connection with any retaking of any Item of Equipment in any reasonable manner.

14.3. If a Declaration of Default shall have occurred the Manufacturer with or without the retaking of possession thereof may, at its election, sell the Equipment, or any Item thereof, free from any and all claims of the Vendee, or of any other party claiming by, through or under the Vendee (but subject to the then existing rights of the Lessee under the Lease, if any), at law or in equity, at public or private sale and with or without advertisement as the Manufacturer may determine and as is commercially

reasonable; and the proceeds of such sale, less the attorneys' fees and any other expenses incurred by the Manufacturer in taking possession of, removing, storing and selling the Equipment, shall be credited to the amount due to the Manufacturer under the provisions of this Agreement.

14.4. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Manufacturer may specify, in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Manufacturer may determine, provided that the Vendee shall be given written notice of such sale not less than 30 business days prior thereto, by mail addressed as provided herein and provided further that such sale shall be conducted in a commercially reasonable manner. The Manufacturer may bid for and become the purchaser of the Equipment, or any Item thereof, so offered for sale without accountability to the Vendee (except to the extent of surplus money received as hereinafter provided in this Section), and in payment of the purchase price therefor the Manufacturer shall be entitled to have credited on account thereof all sums due to the Manufacturer from the Vendee hereunder.

14.5. Each and every power and remedy hereby specifically given to the Manufacturer shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Manufacturer. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed as waiver of the right to exercise any other or others. No delay or omission of the Manufacturer in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

14.6. All sums of money realized by the Manufacturer under the remedies herein provided shall be applied, first to the payment of costs and expenses of suit, if any, and of such sale and of all proper expenses, liabilities and advances, including legal expenses and attorneys' fees incurred or made by the Manufacturer (but only to the extent such costs, expenses, liabilities and advances have not been otherwise paid by the Lessee or the Sublessee), second to the

payment of interest on the indebtedness in respect of the Purchase Price of the Equipment accrued and unpaid and third to the payment of the indebtedness in respect of the Purchase Price of the Equipment. If, after applying as aforesaid all sums of money realized by the Manufacturer, there shall remain any amount due to it under the provisions of this Agreement, the Manufacturer may bring suit therefor and shall be entitled to recover a judgment therefor against the Vendee. If, after applying as aforesaid all sums realized by the Manufacturer, there shall remain a surplus in the possession of the Manufacturer, such surplus shall be paid to the Vendee.

14.7. The Vendee will pay all reasonable expenses, including attorneys' fees, incurred by the Manufacturer in enforcing its remedies under the terms of this Agreement. In the event that the Manufacturer shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Manufacturer may recover reasonable expenses, including attorneys' fees and the amount thereof shall be included in such judgment.

14.8. The foregoing provisions of this Section are subject in all respect to all mandatory requirements of law at the time in force and applicable thereto. No remedies herein provided shall be exercised in such manner as to violate any rights of the Lessee under the Lease unless an Event of Default shall have occurred and be continuing under the Lease.

SECTION 15. Applicable State Laws.

15.1. Any provision of this Agreement prohibited by any applicable law of any state, or which by any applicable law of any state would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such state be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by the Vendee to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale and enforced as such.

15.2. Except as otherwise provided in this Agreement, the Vendee, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of

or to sell the Equipment, or any Item thereof, and any other requirements as to the time, place and terms of sale thereof, and other requirements with respect to the enforcement of the Manufacturer's rights hereunder and any and all rights of redemption.

SECTION 16. Extension Not A Waiver.

No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Manufacturer shall impair or affect the Manufacturer's right thereafter to exercise the same. Any extension of time for payment hereunder or other indulgence duly granted to the Vendee shall not otherwise alter or affect the Manufacturer's rights or the obligations of the Vendee hereunder. The Manufacturer's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Vendee's obligations or the Manufacturer's rights hereunder with respect to any subsequent payments or defaults therein.

SECTION 17. Recording.

The Vendee will cause this Agreement, the first assignment hereof and any supplements hereto and thereto to be filed, recorded or deposited and refiled, rerecorded or redeposited, if necessary, in all public offices as may be required by law or reasonably requested by the Manufacturer for the purpose of proper protection, to the satisfaction of counsel for the Manufacturer and the Assignee of the security title to the Equipment and the rights of the Manufacturer under this Agreement and of the Assignee under the Assignment or for the purpose of carrying out the intention of this Agreement and the Assignment; and the Vendee or the Lessee will promptly furnish to the Manufacturer certificates or other evidences of such filing, recording or depositing, and an opinion or opinions of counsel for the Vendee or the Lessee with respect thereto, satisfactory to the Manufacturer. Without limiting the foregoing, the Vendee shall take all such other action to the extent the same is required by law or reasonably requested by the Manufacturer for the purpose of proper protection, to the satisfaction of counsel for the Manufacturer and the Assignee, of the security title to the Equipment and the rights of the Manufacturer under this Agreement and of the Assignee under the Assignment or for the purpose of carrying out the intention of this Agreement and the Assignment.

SECTION 18. Notices.

Any notice required or permitted to be given by any party hereto to another shall be deemed to have been given when deposited in the United States certified mail, first class, postage prepaid, addressed as follows:

(a) to the Vendee: Richmond, Fredericksburg and Potomac Railroad Company, P. O. Box 11281, Richmond, Virginia 23230, Attention of Treasurer;

(b) to the Lessee: McHugh Brothers Crane Rentals, Inc., P.O. Box 196, Penndel, Pennsylvania 19047, Attention of President;

(c) to the Sublessee: New Hope & Ivyland Railroad Company, P. O. Box 196, Penndel, Pennsylvania 19047, Attention of President;

(d) to the Manufacturer: FMC Corporation, 200 East Randolph Drive, Chicago, Illinois 60601, Attention of Mr. David Paton; and

(e) to the Assignee: United States Trust Company of New York, 130 John Street, Fourth Floor, New York, New York 10038, Attention of Corporate Trust and Agency Division;

or at such other address as may have been furnished in writing by such party to the other parties to this Agreement.

SECTION 19. Headings and Table of Contents.

All section headings and the table of contents are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

SECTION 20. Effect and Modification of Agreements.

This Agreement and the Schedules relating hereto, together with the Lease exclusively and completely state the rights and agreements of the Manufacturer and the Vendee with respect to the Equipment and supersede all other agreements, oral or written, with respect to the Equipment. No variation of this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and duly executed on behalf of the Manufacturer and the Vendee. Without the prior written consent (which shall not be unreasonably

withheld) of the Manufacturer, the Vendee will not consent to any amendment, modification, waiver or supplement to the Lease or cancel or terminate the Lease prior to the payment in full of the CSA Indebtedness, together with interest thereon.

SECTION 21. Law Governing.

The terms of this Agreement and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Virginia.

SECTION 22. Certain Definitions.

The term "Manufacturer", whenever used in this Agreement, means, before any assignment of any of its rights hereunder, FMC Corporation, and any successor or successors for the time being to its manufacturing properties and business and, after any such assignment, any assignee or assignees for the time being of such particular assigned rights as regards such rights, and also any assignor as regards any rights hereunder that are retained and excluded from any such assignment.

SECTION 23. Assignment Over and Grant of Security Interest In the Lease.

23.1. In order to further secure the payment of the CSA Indebtedness, the interest thereon and the payment or performance of all of the Vendee's obligations contained in this Agreement, the Vendee hereby assigns, transfers and sets over to the Manufacturer and grants the Manufacturer a security interest in all right, title, interest, claims and demands of the Vendee as lessor in, under and to the Lease, including all rights thereunder obtained from the Lessee against the Sublessee as sublessor under the Sublease, and including all extensions of the term of the Lease, together with all rights, powers, privileges, options and other benefits of the Vendee as lessor under the Lease, including, without limitation, but subject to the exceptions, reservations and limitation contained in Section 23.6 below:

(a) the immediate and continuing right to receive and collect all rentals, insurance proceeds, condemnation awards and other payments, tenders and security now or hereafter payable to or receivable by the lessor under the Lease pursuant thereto or payable by the Sublessee

under the Sublease;

(b) following the occurrence of an Event of Default hereunder, the right to make all waivers and agreements with respect to the Lease and prior to the occurrence of such Event of Default, the right to concur with the Vendee in any such waivers or agreements; and

(c) the right to take such action upon the occurrence of a default or an Event of Default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease and the Sublease or by law, and to do any and all other things whatsoever which the Vendee or any lessor is or may be entitled to do under the Lease;

it being the intent and purpose hereof that the assignment and transfer to the Manufacturer of said rights, powers, privileges, options and other benefits shall be effective and operative immediately and shall continue in full force and effect, and the Manufacturer shall have the right to collect and receive said rentals and other sums for application to the payment of the CSA Indebtedness, together with the interest thereon and the other obligations of the Vendee hereby secured at all times during the period from and after the date of this Agreement until the CSA Indebtedness, together with the interest thereon and all other obligations of the Vendee hereby secured have been fully paid and discharged.

23.2. Subject to Section 23.6 hereof, the Vendee agrees that it will not:

(a) declare a default or exercise the remedies of the lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification, surrender or termination of, the Lease in respect of the Equipment (except as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof; and

(b) receive or collect or permit the receipt or collection of any rentals or Casualty Value payments

prior to the date for the payment thereof provided for by the Lease or Sublease (unless received without fault and promptly remitted to the Manufacturer) or assign, transfer or hypothecate (other than to the Manufacturer hereunder) any rentals or Casualty Value payments then due or to accrue in the future under the Lease or Sublease.

23.3. The Vendee does hereby irrevocably constitute and appoint the Manufacturer its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rentals and other payments (except as set forth in Section 23.6 hereof) and sums which are assigned under Section 23.1 hereof and, following the occurrence of an Event of Default hereunder, full power to settle, adjust or compromise any claim thereunder as fully as the Vendee could itself do, and to endorse the name of the Vendee on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Vendee or otherwise, which the Manufacturer may deem necessary or appropriate to protect and preserve the right, title and interest of the Manufacturer in and to such rentals and other payments and sums and the security intended to be afforded hereby.

23.4. This assignment being made only as security shall not subject the Manufacturer to, or transfer, or pass, or in any way affect or modify, the liability of the Vendee under the Lease, it being understood and agreed that notwithstanding this assignment, or any subsequent assignment, all obligations of the Vendee to the Lessee, shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Vendee. Further, the Vendee covenants and agrees that it will perform all its obligations to be performed under the terms of the Lease, and hereby irrevocably authorizes and empowers the Manufacturer, in its own name, or in the name of its nominee, or in the name of the Vendee, as its attorney, on the happening of any failure by the Vendee, to perform or cause to be performed any such obligation.

23.5. Upon the full discharge and satisfaction of the full amount of the CSA Indebtedness, together with interest as herein provided and the performance of all of the Vendee's obligations herein contained, the assignment made hereby and all rights herein assigned to the Manufacturer

shall cease and terminate, and all estate, right, security title and interest of the Vendee in and to the Lease shall revert to the Vendee.

23.6. There are expressly excepted and reserved from the assignment and security interest provided for in Section 23.1 above the following described properties, rights, interests and privileges:

(a) all payments of any indemnity under Section 6 or 10.2 of the Lease which are payable to the Vendee for its own account;

(b) if an Event of Default under the Lease based on a breach of any covenant of the Lessee to pay any such indemnity or payment referred to under paragraph (a) of this Section 23.6 shall occur and be continuing, the right of the Vendee to declare that an Event of Default exists under the Lease and the right of the Vendee to exercise the remedies, but only those remedies, provided for in Section 14.2(a) of the Lease to enforce performance by the Lessee of any covenants of the Lessee to pay any such indemnity or payment directly to the Vendee or to recover damages for the breach thereof; and

(c) any insurance proceeds payable under general public liability policies maintained by the Lessee or the Sublessee pursuant to Section 11 of the Lease or Section 5 of the Sublease which by the terms of such policies or the terms of the Lease or Sublease are payable directly to the Vendee for its own account.

SECTION 24. Payment of State and Local Taxes.

All payments to be made by the Vendee hereunder will be free of expense to the Manufacturer and any assignee thereof pursuant to Section 12 hereof (including, without limitation, the Investors and Assignee) (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to the amount of any local, state, Federal or foreign taxes (including but not limited to income, franchise, sales or use [other than sales or use taxes included in the Purchase Price], personal property, ad valorem, value added, leasing, leasing use, stamp, license fees or other taxes, levies charges or withholdings of any nature) (excluding, however (i) any United States Federal income tax [and, to the extent that

any respective Indemnatee receives credit therefor against its United States Federal income tax liability, any foreign income tax of such Indemnatee] payable by any respective Indemnatee in consequence of the receipt of payments provided herein; and (ii) the aggregate of all net income or franchise taxes measured by net income based on such receipts, up to the amount of any such taxes which would be payable to the state and city in which such Indemnatee has its principal place of business without apportionment to any other state, except any payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), and any charges, fines or penalties in connection therewith (hereinafter called "Impositions") hereafter levied or imposed upon or in connection with or measured by this Agreement or any sale, rental, use, payment, shipment, delivery or transfer or title under the terms hereof or the Assignment, all of which Impositions the Vendee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Vendee will also pay promptly all Impositions which may be imposed upon any Item of Equipment or for the use or operation thereof or upon the earnings arising therefrom or upon any Indemnatee solely by reason of its interest with respect thereto and will keep at all times all and every part of such Item of Equipment free and clear of all Impositions which might in any way affect the interest of any Indemnatee therein or result in a lien upon any such Item of Equipment; provided, however, that the Vendee shall be under no obligation to pay any Impositions so long as it is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of the Indemnatee, adversely affect the interest of any Indemnatee hereunder or under the Assignment. If any Imposition shall have been charged or levied against any Indemnatee directly and paid by such Indemnatee after such Indemnatee shall have remained unpaid for a period of 15 business days thereafter the Vendee shall reimburse such Indemnatee on presentation of invoice therefor. Prior to making such payment, such Indemnatee shall promptly notify the Vendee of the Impositions charged or levied, and the Vendee shall have the opportunity to contest in good faith and by appropriate legal proceedings such Impositions, at its sole expense.

In the event any reports with respect to Impositions are required to be made on the basis of individual Items of Equipment, the Vendee will either prepare and file such reports in such manner as to show as required the interests of each Indemnatee in such Items of Equipment or, if it shall not be permitted to file the same, it will notify each Indemnatee of

such reporting requirements, prepare such reports in such manner as shall be satisfactory to each Indemnatee and deliver the same to each Indemnatee within a reasonable period prior to the date the same is to be filed.

In the event that, during the continuance of this Agreement any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Agreement is in existence) which the Vendee is or will be obligated to pay or reimburse, pursuant to this Section 25, such liability shall continue, notwithstanding the expiration of this Agreement, until all such Impositions are paid or reimbursed by the Vendee.

SECTION 25. Insurance.

The Vendee agrees (a) to cause the Lessee at all times during the term of this Agreement to keep each Item of Equipment insured against loss and to maintain public liability insurance to the extent and on the terms and conditions as is provided in Section 11 of the Lease or (b) if the Lessee shall fail to maintain such insurance, to insure each Item of Equipment against loss and to maintain public liability insurance in accordance with its normal business practice.

The proceeds of any property insurance received by the Manufacturer or the Assignee will be paid to the Vendee either (i) upon a written application signed by the Vendee for payment of, or to reimburse the Vendee for payment of, the costs of repairing, restoring or replacing the Item of Equipment which has been lost, damaged or destroyed (which application shall be accompanied by satisfactory evidence of such cost and the completion of such repair, restoration or replacement), or (ii) promptly upon payment by the Vendee of the Casualty Payment with respect thereto; provided that, if the Vendee is at the time of the application in default in the payment of any other liability of the Vendee to the Manufacturer hereunder, such proceeds may be applied against such liability.

SECTION 26. Execution.

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same contract, which shall be sufficiently

evidenced by any such original counterpart. This Agreement is dated for convenience as of the date first above written.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by their officers or representatives, thereunto duly authorized, and their respective corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

FMC CORPORATION,

by

John D. Canty

[CORPORATE SEAL]

Attest:

Maeph W. Gibert
ASST. Secretary

RICHMOND, FREDERICKSBURG AND
POTOMAC RAILROAD COMPANY,

by

[CORPORATE SEAL]

Attest:

Secretary

Oregon
STATE OF ILLINOIS,)
Multnomah) ss.:
COUNTY OF COOK,)

On this 12 day of November 1979, before me personally appeared John E. Carroll, Jr., to me personally known, who being by me duly sworn, says that he is a Division Manager of FMC CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Lair M. Emery
Notary Public

[Notarial Seal]

My commission expires: **MAY 16, 1983**

COMMONWEALTH OF VIRGINIA,)
) ss.:
CITY OF RICHMOND,)

On this day of November 1979, before me personally appeared , to me personally known, who being by me duly sworn, says that he is of RICHMOND, FREDERICKSBURG AND POTOMAC RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said Corporation, and that said instrument was signed and sealed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Notary Public

[Notarial Seal]

My commission expires:

SCHEDULE A
TO CSA

MANUFACTURER: FMC Corporation

PLANT OF MANUFACTURER: Portland, Oregon

DESCRIPTION OF EQUIPMENT: 300 new box cars, AAR Mechanical Designation XF or XM bearing the following Sublessee's road numbers:

Sublessee Numbers NHIR 50001 through NHIR 50300, both inclusive

SPECIFICATIONS: FMC Job No. 17978 and FMC Job No. 18031

BASE PRICE: \$38,4³00 per Item for XM cars (\$5,764,500 for 150 Items)
\$41,482 per Item for XF cars (\$6,222,300 for 150 Items)

\$11,986,800 Aggregate Base Price for 300 Items

MAXIMUM PURCHASE PRICE: \$44,000 per Item (\$13,200,000 for 300 Items)

PLACE OF DELIVERY: Manufacturer's Plant at Portland, Oregon

ESTIMATED DELIVERY DATES: November 1979-February 1980

OUTSIDE DELIVERY DATE: June 1, 1980

SCHEDULE B
TO CSA

Allocation schedule based on proposed \$9,600,000 of
CSA Indebtedness

DATE	PRINCIPAL	INTEREST (9.6250%)	PRINCIPAL RECOVERY	PAYMENT
6/ 1/80	9600000.00			
7/ 1/80	9600000.00	77000.00	.00	77000.00
8/ 1/80	9600000.00	77000.00	.00	77000.00
9/ 1/80	9600000.00	77000.00	.00	77000.00
10/ 1/80	9600000.00	77000.00	.00	77000.00
11/ 1/80	9600000.00	77000.00	.00	77000.00
12/ 1/80	9600000.00	77000.00	.00	77000.00
1/ 1/81	9600000.00	77000.00	.00	77000.00
2/ 1/81	9600000.00	77000.00	.00	77000.00
3/ 1/81	9600000.00	77000.00	.00	77000.00
4/ 1/81	9600000.00	77000.00	.00	77000.00
5/ 1/81	9600000.00	77000.00	.00	77000.00
6/ 1/81	9600000.00	77000.00	.00	77000.00
7/ 1/81	9588118.65	77000.00	11881.35	88881.35
8/ 1/81	9576142.00	76904.70	11976.65	88881.35
9/ 1/81	9564069.29	76808.64	12072.71	88881.35
10/ 1/81	9551899.75	76711.81	12169.54	88881.35
11/ 1/81	9539632.60	76614.20	12267.15	88881.35
12/ 1/81	9527267.05	76515.80	12365.55	88881.35
1/ 1/82	9515928.74	76416.62	11338.31	87754.93
2/ 1/82	9504499.49	76325.68	11429.25	87754.93
3/ 1/82	9492978.57	76234.01	11520.92	87754.93
4/ 1/82	9481365.24	76141.60	11613.33	87754.93
5/ 1/82	9469658.76	76048.45	11706.46	87754.93
6/ 1/82	9457858.38	75954.55	11800.38	87754.93
7/ 1/82	9445963.36	75859.91	11895.02	87754.93
8/ 1/82	9433972.93	75764.50	11990.43	87754.93
9/ 1/82	9421886.32	75668.32	12086.61	87754.93
10/ 1/82	9409702.77	75571.38	12183.55	87754.93
11/ 1/82	9397421.50	75473.66	12281.27	87754.93
12/ 1/82	9385041.72	75375.15	12379.78	87754.93
1/ 1/83	9351763.55	75275.86	33278.17	108554.03
2/ 1/83	9318218.46	75008.94	33545.09	108554.03
3/ 1/83	9284404.31	74739.88	33814.15	108554.03

DATE	PRINCIPAL	INTEREST (9.6250%)	PRINCIPAL RECOVERY	PAYMENT
4/ 1/83	9250318.94	74468.66	34085.37	108554.03
5/ 1/83	9215960.16	74195.27	34358.76	108554.03
6/ 1/83	9181325.83	73919.68	34634.35	108554.03
7/ 1/83	9146413.68	73641.88	34912.15	108554.03
8/ 1/83	9111221.51	73361.86	35192.17	108554.03
9/ 1/83	9075747.07	73079.59	35474.44	108554.03
10/ 1/83	9039988.09	72795.05	35756.98	108554.03
11/ 1/83	9003942.30	72506.24	36045.79	108554.03
12/ 1/83	8967607.39	72219.12	36334.91	108554.03
1/ 1/84	8930981.04	71927.68	36626.35	108554.03
2/ 1/84	8894060.92	71633.91	36920.12	108554.03
3/ 1/84	8856644.67	71337.78	37216.25	108554.03
4/ 1/84	8819329.91	71039.27	37514.76	108554.03
5/ 1/84	8781514.26	70738.38	37815.65	108554.03
6/ 1/84	8743395.29	70435.06	38118.97	108554.03
7/ 1/84	8704970.58	70129.32	38424.71	108554.03
8/ 1/84	8666237.67	69821.12	38732.91	108554.03
9/ 1/84	8627194.09	69510.45	39043.58	108554.03
10/ 1/84	8567837.35	69197.29	39356.74	108554.03
11/ 1/84	8548164.93	68881.61	39672.42	108554.03
12/ 1/84	8508174.31	68563.41	39990.62	108554.03
1/ 1/85	8467862.93	68242.65	40311.18	108554.03
2/ 1/85	8427228.22	67919.32	40634.71	108554.03
3/ 1/85	8386267.58	67593.39	40960.64	108554.03
4/ 1/85	8344978.40	67264.85	41289.18	108554.03
5/ 1/85	8303358.05	66933.68	41620.35	108554.03
6/ 1/85	8261403.87	66599.85	41954.18	108554.03
7/ 1/85	8219113.18	66263.34	42290.69	108554.03
8/ 1/85	8176483.29	65924.14	42629.89	108554.03
9/ 1/85	8133511.47	65582.21	42971.82	108554.03
10/ 1/85	8090194.98	65237.54	43316.49	108554.03
11/ 1/85	8046531.06	64890.11	43663.92	108554.03
12/ 1/85	8002516.91	64539.88	44014.15	108554.03
1/ 1/86	7958149.73	64186.85	44367.18	108554.03
2/ 1/86	7913426.69	63830.99	44723.04	108554.03
3/ 1/86	7868344.94	63472.28	45081.75	108554.03
4/ 1/86	7822901.59	63110.68	45443.35	108554.03
5/ 1/86	7777093.75	62746.19	45807.84	108554.03
6/ 1/86	7730918.49	62378.77	46175.26	108554.03
7/ 1/86	7684372.87	62008.41	46545.62	108554.03
8/ 1/86	7637453.91	61635.07	46918.96	108554.03
9/ 1/86	7590158.62	61258.74	47295.29	108554.03

DATE	PRINCIPAL	INTEREST (9.6250%)	PRINCIPAL RECOVERY	PAYMENT
10/ 1/86	7542483.99	60879.40	47674.63	108554.03
11/ 1/86	7494426.97	60497.01	48057.02	108554.03
12/ 1/86	7445984.49	60111.55	48442.46	108554.03
1/ 1/87	7397153.46	59723.00	48831.03	108554.03
2/ 1/87	7347930.77	59331.34	49222.69	108554.03
3/ 1/87	7298313.27	58936.53	49617.50	108554.03
4/ 1/87	7248297.79	58538.55	50015.48	108554.03
5/ 1/87	7197881.15	58137.39	50416.64	108554.03
6/ 1/87	7147060.13	57733.01	50821.02	108554.03
7/ 1/87	7095831.48	57325.38	51228.65	108554.03
8/ 1/87	7044191.93	56914.48	51639.55	108554.03
9/ 1/87	6992138.19	56500.29	52053.74	108554.03
10/ 1/87	6939666.94	56082.78	52471.25	108554.03
11/ 1/87	6886774.82	55661.91	52892.12	108554.03
12/ 1/87	6833458.46	55237.67	53316.36	108554.03
1/ 1/88	6779714.46	54810.03	53744.00	108554.03
2/ 1/88	6725539.39	54378.96	54175.07	108554.03
3/ 1/88	6670929.79	53944.43	54609.60	108554.03
4/ 1/88	6615882.16	53506.42	55047.61	108554.03
5/ 1/88	6560393.04	53064.89	55489.14	108554.03
6/ 1/88	6504458.83	52619.82	55934.21	108554.03
7/ 1/88	6448075.98	52171.18	56382.85	108554.03
8/ 1/88	6391240.89	51718.94	56835.09	108554.03
9/ 1/88	6333949.94	51263.08	57290.95	108554.03
10/ 1/88	6276199.47	50803.56	57750.47	108554.03
11/ 1/88	6217985.79	50340.35	58213.68	108554.03
12/ 1/88	6159305.19	49873.43	58680.60	108554.03
1/ 1/89	6100153.92	49402.76	59151.27	108554.03
2/ 1/89	6040528.21	48928.32	59625.71	108554.03
3/ 1/89	5980424.25	48450.07	60103.96	108554.03
4/ 1/89	5919838.21	47967.99	60586.04	108554.03
5/ 1/89	5858766.22	47482.04	61071.99	108554.03
6/ 1/89	5797204.38	46992.19	61561.84	108554.03
7/ 1/89	5735148.76	46498.41	62055.62	108554.03
8/ 1/89	5672595.40	46000.67	62553.36	108554.03
9/ 1/89	5609540.31	45498.94	63055.09	108554.03
10/ 1/89	5545579.47	44993.19	63560.84	108554.03
11/ 1/89	5481908.82	44483.38	64070.65	108554.03
12/ 1/89	5417324.27	43969.48	64584.55	108554.03
1/ 1/90	5352221.70	43451.46	65102.57	108554.03
2/ 1/90	5286596.95	42929.28	65624.75	108554.03

DATE	PRINCIPAL	INTEREST (9.6250%)	PRINCIPAL RECOVERY	PAYMENT
3/ 1/90	5220445.83	42402.91	66151.12	108554.03
4/ 1/90	5153764.13	41872.33	66681.70	108554.03
5/ 1/90	5086547.58	41337.48	67216.55	108554.03
6/ 1/90	5018791.90	40798.35	67755.68	108554.03
7/ 1/90	4950492.76	40254.89	68299.14	108554.03
8/ 1/90	4861645.81	39707.08	68846.95	108554.03
9/ 1/90	4812246.65	39154.87	69399.16	108554.03
10/ 1/90	4742290.85	38598.23	69955.80	108554.03
11/ 1/90	4671773.94	38037.12	70516.91	108554.03
12/ 1/90	4600691.43	37471.52	71082.51	108554.03
1/ 1/91	4529038.78	36901.38	71652.65	108554.03
2/ 1/91	4456811.42	36326.67	72227.36	108554.03
3/ 1/91	4384004.73	35747.34	72806.69	108554.03
4/ 1/91	4310614.07	35163.37	73390.66	108554.03
5/ 1/91	4236634.76	34574.72	73979.31	108554.03
6/ 1/91	4162062.07	33981.34	74572.69	108554.03
7/ 1/91	4086891.25	33383.21	75170.82	108554.03
8/ 1/91	4011117.49	32780.27	75773.76	108554.03
9/ 1/91	3934735.96	32172.50	76381.53	108554.03
10/ 1/91	3857741.79	31559.86	76994.17	108554.03
11/ 1/91	3780130.06	30942.30	77611.73	108554.03
12/ 1/91	3701895.82	30319.79	78234.24	108554.03
1/ 1/92	3623034.08	29692.29	78861.74	108554.03
2/ 1/92	3543539.80	29059.75	79494.28	108554.03
3/ 1/92	3463407.91	28422.14	80131.89	108554.03
4/ 1/92	3382633.30	27779.42	80774.61	108554.03
5/ 1/92	3301210.81	27131.54	81422.49	108554.03
6/ 1/92	3219135.24	26478.46	82075.57	108554.03
7/ 1/92	3136401.36	25820.15	82733.88	108554.03
8/ 1/92	3053003.88	25156.55	83397.48	108554.03
9/ 1/92	2968937.49	24487.64	84066.39	108554.03
10/ 1/92	2884196.81	23813.35	84740.68	108554.03
11/ 1/92	2798776.44	23133.66	85420.37	108554.03
12/ 1/92	2712670.93	22448.52	86105.51	108554.03
1/ 1/93	2625874.78	21757.88	86796.15	108554.03
2/ 1/93	2538382.45	21061.70	87492.33	108554.03
3/ 1/93	2450188.36	20359.94	88194.09	108554.03
4/ 1/93	2361286.88	19652.55	88901.46	108554.03
5/ 1/93	2271672.34	18939.49	89614.54	108554.03
6/ 1/93	2181339.02	18220.71	90333.32	108554.03
7/ 1/93	2090281.15	17496.16	91057.87	108554.03

DATE	PRINCIPAL	INTEREST (9.6250%)	PRINCIPAL RECOVERY	PAYMENT
8/ 1/93	1998492.92	16765.80	91788.23	108554.03
9/ 1/93	1905966.47	16029.58	92524.45	108554.03
10/ 1/93	1812701.90	15287.46	93266.57	108554.03
11/ 1/93	1718687.25	14539.38	94014.65	108554.03
12/ 1/93	1623918.52	13785.30	94768.73	108554.03
1/ 1/94	1528389.67	13025.18	95528.85	108554.03
2/ 1/94	1432094.60	12258.96	96295.07	108554.03
3/ 1/94	1335027.16	11486.59	97067.44	108554.03
4/ 1/94	1237181.16	10708.03	97846.00	108554.03
5/ 1/94	1138550.35	9923.22	98630.81	108554.03
6/ 1/94	1039128.44	9132.12	99421.91	108554.03
7/ 1/94	938909.09	8334.68	100219.35	108554.03
8/ 1/94	837885.89	7530.83	101023.20	108554.03
9/ 1/94	736052.40	6720.54	101833.49	108554.03
10/ 1/94	633402.12	5903.75	102650.28	108554.03
11/ 1/94	529928.50	5080.41	103473.62	108554.03
12/ 1/94	425624.94	4250.47	104303.56	108554.03
1/ 1/95	320484.78	3413.87	105140.16	108554.03
2/ 1/95	214501.31	2570.56	105983.47	108554.03
3/ 1/95	107667.76	1720.48	106833.55	108554.03
4/ 1/95	.00	863.59	107667.76	108531.35

NOTE: PRINCIPAL COLUMN REPRESENTS OUTSTANDING PRINCIPAL IMMEDIATELY AFTER PAYMENT IS MADE.

RENT: 15 years commencing 4/80 monthly in arrears

Payments:

2	@ \$0	
177	@ \$125,364	(1.0447% of equipment cost)
1	@ \$376,092	(3.1341% of equipment cost)

Deliveries: Anticipated--11/79)
) 1/2 of the boxcars
 1/80)